

ORIGINAL

KUTAK ROCK LLP

PAUL F. DONSBACH, # 7108-0
CHRISTOPHER D. GLOS, *Pro Hac Vice*
18201 Von Karman Avenue
Suite 1100
Irvine, California 92612-1077
Telephone: (949) 417-0999
Facsimile: (949) 417-5394
E-mail: paul.donsbach@kutakrock.com

FILED IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF HAWAII

MAY 26 2006

at 11 o'clock and 5 min. M
SUE BEITIA, CLERK

KESSNER, DUCA, UMEBAYASHI, BAIN
& MATSUNAGA

ELTON JOHN BAIN #2443-0
E. MASON MARTIN, III #7295-0
19th Floor Central Pacific Plaza
220 South King Street
Honolulu, Hawaii 96813
Telephone: (808) 536-1900
Facsimile: (808) 529-7177
E-mail: mmartin@kdubm.com

Attorneys for Plaintiff
RELIANCE INSURANCE COMPANY
(IN LIQUIDATION)

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

RELIANCE INSURANCE
COMPANY
(IN LIQUIDATION), a Pennsylvania
corporation,

Plaintiff,
v.

THE DOCTORS' COMPANY, a
California corporation,

Defendant.

CIVIL CASE NO. CV 02-00159 HG-BMK

JOINT STIPULATION REGARDING
SATISFACTION OF JUDGMENT;
AND PROPOSED ORDER THEREON

Judge: Hon. Helen Gillmor

Judgment: February 13, 2004

Affirmed: May 26, 2005

**JOINT STIPULATION REGARDING
SATISFACTION OF JUDGMENT**

Plaintiff Reliance Insurance Company (in Liquidation) ("Reliance") and Defendant The Doctors' Company ("TDC"), by and through their respective undersigned counsel, hereby stipulate and agree as follows:

WHEREAS, on March 18, 2002, Reliance filed an action in this Court against TDC for express and equitable subrogation, equitable contribution, indemnity and declaratory relief.

WHEREAS, on September 25, 2003, this Court granted Reliance's Motion for Partial Summary Judgment as to its claim for express and equitable Subrogation and awarded Reliance \$2,000,000 in subrogation and its reasonable attorneys' fees and expenses.

WHEREAS, on February 13, 2004, this Court entered judgment in favor of Reliance in the amount of \$2,200,000, representing the \$2,000,000 disputed coverage amount and an award of \$200,000 for Reliance's attorneys' fees and expenses incurred in the litigation (collectively, the "Judgment").

WHEREAS, TDC appealed the Judgment.

WHEREAS, on May 26, 2005, the United States Court of Appeals for the Ninth Circuit affirmed this Court's Judgment.

WHEREAS, TDC filed a petition for rehearing and *en banc* review, which was denied on July 1, 2005.

WHEREAS, on November 8, 2005, Reliance filed a Motion to Satisfy Judgment and Enforce Supersedeas Bond.

WHEREAS, Reliance's Motion to Satisfy Judgment and Enforce Supersedeas Bond came on for hearing by this Court on April 10, 2006;

WHEREAS, at the April 10, 2006 hearing, the parties agreed that TDC shall immediately satisfy the Judgment by placing the sum of \$2,347,351.46, which represents the Judgment plus awarded attorneys' fees, and interest accrued on the Judgment into escrow by electronic transfer to a trust account of the law firm of Stradley Ronon.

WHEREAS, on April 10, 2006, the parties executed an Agreement of the Parties in the liquidation proceedings before the Commonwealth Court of Pennsylvania, whereby the parties agreed that the escrowed sums shall be initially placed into a trust account of the law firm of Stradley Ronon, and thereafter the monies shall be transferred to a joint escrow account of Stradley Ronon and Marshall, Dennehey, Warner, Coleman & Goggin, with Jane Foster, Esq. and Arthur W. Lefco, Esq. to serve jointly as escrow agents.

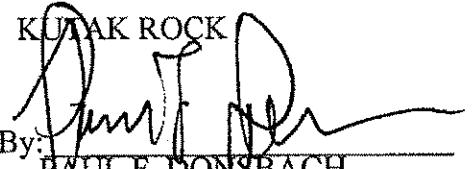
WHEREAS, on April 10, 2006, TDC placed into escrow, by electronic transfer to the trust account of the law firm of Stradley Ronon, the sum of \$2,347,351.46 which represents the Judgment plus the awarded attorneys' fees, and interest accrued on the Judgment as of that date.

WHEREAS, at the April 10, 2006 hearing, the parties agreed that immediately after TDC placed the Judgment amount into escrow in the manner agreed upon by the parties, this action shall be discontinued with prejudice.

IT IS THEREFORE STIPULATED AND AGREED that the Judgment has been satisfied in the manner agreed upon by the parties.

IT IS FURTHER STIPULATED AND AGREED that TDC's satisfaction of the Judgment represents the conclusion of this action and its complete and final resolution with prejudice.

DATED: April 21, 2006

KUMAK ROCK

By: PAUL F. DONSBACH
CHRISTOPHER D. GLOS
Attorneys for Plaintiff
RELIANCE INSURANCE
COMPANY (IN LIQUIDATION)

MAY - 5 2006

DATED: April 5, 2006

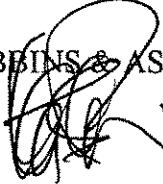
MCCORRISTON MILLER MUKAI
MACKINNON LLP

By: 
DAROLYN H. LENDIO
PHILIP W. MIYOSHI
Attorneys for Defendant
THE DOCTORS' COMPANY

MAY - 5 2006
DATED: April , 2006

ROBBINS & ASSOCIATES

By:


KENNETH S. ROBBINS
LEIGHTON H. HARA
WENDY M. YAMAMOTO
Attorneys for Defendant
THE DOCTORS' COMPANY

APPROVED AND SO ORDERED:

Dated: 5.25.04



Honorable Helen Gillmor,
United States District Judge